Assocham Suggestions to Modify Policy on state Trading

723. SHRI KRISHNA KUMAR BIRLA: Will the Minister of COMMERCE be pleased to state:

(a) whether the associated chamber of Commerce and Industry has urged the Government to modify the present policy on state trading to facilitate counter trade:

(b) if so. the details of the policy changes urged by ASSOCHAM;

(c) whether Government have since examined the proposals of the ASSOCHAM; and

(d) if so. the reaction of Government thereto.

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) to (d) In connection with the Round Table on Counter Trade as Export Promotion Mechanism and EXIM Policies and Procedures organised by ASSOCHAM at Calcutta on January 13, 1993. ASSOCHAM had forwarded a copy of the Discussion. Papers to the Ministry of Commerce which included a few suggestions for promoting Counter Trade such as. earmarking part of canalised items for Counter Trade; issuance of clear guidelines: strengthening of commercial intelligence; creation of warehousing facilities abroad; re-modelling banking system, infrastructure development and encouraging joint ventures. However, no final outcome on the preliminary suggestions made in this regard has emerged so far.

Stepping up foreign Trade

724. SHRI KRISHNA KUMAR BIRLA: Will the Minister of COMMERCE be pleased to state:

(a) the extent of decline in the country's foreign trade following the end of rupee trade with the erstwhile Eastern bloc countries and with the emergence of hard currency trade during 1990-91 and 1991-92: and'

(b) what measures have been taken by Government to retain the foreign markets and to step up exports?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) A Statement indicating the foreign trade of the country for the years 1990-91 to 1992-93 (April-December) is annexed, (see below). The decline in foreign trade with Rupee Pavment countries between 1990-91 and 1991-92 and that between 1991-92 (April-December) & 1992-93 (April-December) was due to political and economic upheavals in those countries and not due to the end of the trade and emergence of trade in hard currency. In fact, trade with countries, such as. Czechoslovakia. Romania and CIS, continued on the basis of rupee trade, till recently.

(b) Several changes in trade policy were introduced since July, 1991 aimed at strengthening export incentives, eliminating a substantial volume of import licensing and rationalising the import tariff structure. Rupee has been made partially convertible to encourage generation of foreign exchange. These have been further consolidated in the new Export—Import Policy which, inter-alia, aims to promote productivity, modernisation and competitiveness of Indian industry and thereby to enhance its export capabilities. A short-term Action Plan for ensuring the revival of the export momentum has been formulated. Besides, 34 commodities have been identified as 'extreme focus' sectors, aimed at value or volume increase of 30% every year, in exports. Agreements based on hard currency trade-are in place or are being negotiated with almost all the former Soviet Republics and other East European Countries.